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12 **STATE OF NEVADA**
13 **DEPARTMENT OF BUSINESS AND INDUSTRY**
14 **DIVISION OF MORTGAGE LENDING**

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16 In re:

17 PRIVATE CAPITAL, LLC,
18 Respondent.

19 **STIPULATED AGREEMENT**
20 **EXTENDING CONSERVATORSHIP**

21 The State of Nevada, Department of Business and Industry, Division of Mortgage
22 Lending ("the Division"), and Private Capital, LLC, ("Private Capital") hereby stipulate and
23 agree as follows:

24 WHEREAS, By way of "Order Taking Possession of Mortgage Company Pursuant to
25 NRS 645B.650," the Division took possession of Private Capital, LLC, as conservator on July
26 27, 2006 pursuant to NRS 645B.650. Pursuant to NRS 645B.640 (1), a conservatorship may
27 be compelled for a period of 60 days.

28 WHEREAS, after negotiations, the parties herein mutually desire to briefly extend the
conservatorship through this Stipulated Agreement Extending Conservatorship ("Agreement").

NOW, THEREFORE, in consideration of the representations, covenants and conditions
set forth herein, the parties stipulate and agree as follows:

1. The appointed conservator of Private Capital, Scott Bice, Commissioner of the
Division, by and through his duly appointed agents, Dan McKimmey and Gopal Ramanan, has

1 determined that Private Capital's affairs continue to be in an unsafe condition.

2 2. Therefore, the existing conservatorship must be continued for an additional
3 seven (7) day period in order for the conservator to complete his duties and/or ensure that
4 Private Capital's affairs are made safe and solvent. The original order of conservatorship
5 expires on September 25, 2006. This "Stipulated Agreement Extending Conservatorship" will
6 end on October 2, 2006.

7 3. Accordingly, in the interest of protecting the public, and the relevant provisions of
8 NRS chapter 645B, it is hereby AGREED that the conservatorship of Private Capital is
9 extended an extra seven days. Sheila Delk and Paul Hobbs ("Mr. Hobbs") have represented
10 to the Division that Mr. Hobbs will be able to invest Two Hundred Fifty Thousand Dollars and
11 Zero Cents (\$250,000.00) in Private Capital within a seven (7) day period from September 25,
12 2006. Approximately One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) of
13 Mr. Hobb's investment will be used to cover the shortfall in Private Capital's interest reserve
14 and trust accounts prior to the transferring of service to U.S. Loan Servicing. In the future,
15 trust accounts pursuant to NRS 645B.175 may not be maintained by Private Capital.

16 4. Mr. Hobbs, through the investment of the above-referenced \$250,000.00, is
17 conditionally approved as a Fifty Percent (50%) partner in Private Capital subject to no
18 discrepancies being found in his Personal History Disclosure Form submitted to the Division
19 as compared to the US Department of Justice FBI Criminal Information Service's Division
20 report.

21 5. The Division shall have any remedy available to it under chapter 645B of NRS if
22 Private Capital violates any of the provisions of this Agreement.

23 6. The parties hereto represent and warrant that the person executing this
24 Agreement on behalf of each party has full power and authority to enter into this Agreement
25 and has the legal capacity to conduct the legal obligations assigned to it under this
26 Agreement.

26 7. The Division shall keep the original of this Agreement.

27 8. This Agreement and the rights and obligations of the parties hereto shall be
28 interpreted, governed, and construed pursuant to the laws of the State of Nevada.

 9. Any action to enforce this Agreement shall be brought in the Eighth Judicial

District Court of the State of Nevada in and for Clark County.

10. If any action is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable costs and attorney's fees. It is specifically agreed that reasonable attorney's fees for the State-employed attorneys shall be \$125 per hour.

11. Failure to declare a breach or the actual waiver of any particular breach of this Agreement or its material terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

12. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such a provision(s) did not exist and the nonenforceability of such provision(s) shall not be held to render any other provision(s) of this Agreement nonenforceable.

13. This Agreement constitutes the entire agreement of the parties, and it is intended as a complete and exclusive statement of the promises, representations, negotiations, and discussions of the parties. Unless otherwise expressly authorized by its terms, this Agreement shall be binding upon the parties unless the same is in writing, signed by the respective parties hereto, and approved by the Office of the Attorney General.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and intend to be legally bound thereby.

DATED this ____ day of September 2006.

By: _____
Sheila Delk
Principal,
Private Capital, LLC

By: _____
Paul Hobbs

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
MORTGAGE LENDING DIVISION

By:

SCOTT BICE
Commissioner

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